

4 MAR 1980

Mr. John P. McNicholas
Acting Deputy Assistant for
Information Policy
New Executive Office Building
Room 9002
Washington, DC 20503

Dear Mr. McNicholas,

Attached are Interagency Committee for ADP comments on
House Resolution No. 6410.

Due to the short response time available by your office,
the full Interagency Committee did not have an opportunity to
respond. However, the Executive Board of IAC consisting of
representatives from HEW, HUD, DOD, DOE, Congress, Treasury,
and Agriculture did review HR 6410 and their coordinated
comments appear below.

IAC fully supports this effort to reduce paperwork in the
Federal Government. We note that the burden placed on the OMB
and the agencies to execute this Bill will be great, but with
proper planning and the effective use of ADP the burden will be
considerably alleviated. IAC/ADP will be pleased to lend
support where possible in this area.

We do have some major concerns with the sections of the
Bill that deal with ADP and Telecommunications. If these con-
cerns are accommodated then we can fully support all aspects of
the Bill. IAC supports the basic tenets of these sections in
having the OMB more involved in a policy and oversight role in

Enclosure 3

regard to the effective and efficient use of ADP by Federal agencies. We believe that determined pursuit of the objectives by OMB of this Bill could aid agencies in acquiring ADP faster, reduce the obsolescence problem, and lead to better planning and more effective use of this resource by agencies. In addition, the added emphasis on control of standards and their utility in obtaining competition as well as transportability of ADP systems is again fully supported by IAC.

We have three concerns with the details in implementing the sections of the Bill dealing with ADP and Telecommunications.

The first is the basic relationships between the OMB, GSA, and the agencies. The Bill can be interpreted as placing GSA in a control, directive, and review position essentially at the OMB level in addition to their normal procurement and acquisition responsibilities. To equip GSA to perform these roles would be an additional overhead in the Federal bureaucracy that would be a redundant one and contrary to the President's policy to reduce overhead in the Federal bureaucracy. More important, if our interpretation holds, is that conflict will arise between the agencies who have the ultimate responsibility for execution of programs and GSA which interfaces in one segment of the process. On occasion, conflict will exist between an agencies mission responsibility and GSA's procurement responsibility. The need is to establish a smooth supportive management flow from the definition of need, through the requirement determination, acquisition, implementation, and operation. OMB is properly placed to insure that flow and presently has the authority by the Brooks Bill to adjudicate differences between agencies and the GSA to ultimately decide the best course of action the Government should take. OMB, therefore, should remain separate, independent and above the agencies and GSA to properly execute its adjudication role. We recognize that OMB has not been active in this regard in the past, but House Resolution 6410 clearly directs and emphasizes execution by OMB. Specifically, GSA should not be a party to the responsibility to develop 5-year plans for the Government. This is clearly the agency's responsibility. GSA should, however, be the recipient of the agency plans and provide by requirements contracts or other means the capabilities to assist the agencies in execution of their plans. Further, GSA should not directly influence the budget process which is again properly constituted as an agency and OMB responsibility. OMB can and should receive input from GSA on agency actions pertaining to ADP and Telecommunications which may at OMB discretion influence the budget process.

Our second concern is with the possible interpretation of the review function detailed in House Resolution 6410. It may be construed that OMB will direct internal auditors and may use one agencies auditors to investigate another agency. Agency internal auditors and inspector generals are more independent than ever in our history and perform a needed function for senior management of an agency to investigate internal problems and take corrective action. The agency staff is much more familiar with potential internal problems, and agencies currently have the capability to investigate and correct problems before they get out of hand, do serious damage, or bring discredit to the Federal government. Direct control of internal audit functions by central agencies will take away or at a minimum dilute the capability of agency heads to correct their own problems.

Our third concern deals with the senior official responsible for execution of this Bill at the agency level. We agree with insuring that a senior official be designated at a high level to be responsible to assure the tenets of this Bill are executed, but disagree with the legal requirement for that same individual to necessarily be responsible for the acquisition and control of ADP and Telecommunications. This should be at the agencies discretion. Most organizations vest procurement authority in procurement and acquisition experts. To force the same individual to be responsible for all the myriad aspects of this Bill to include acquisition of ADP resources may disturb an effective management relationship within agencies that exists today.

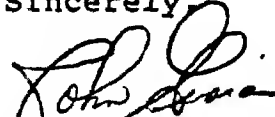
We believe the intent of the Bill as it pertains to ADP and Telecommunications; to have OMB responsible for policy pertaining to the requirement, acquisition, and use of the information technology resource and to be an active and forceful player in this regard is worthy. We also believe the Bill's intention for GSA to have a direct role in support of OMB's responsibility to be proper.

However, the specific wording of the Bill leads to different interpretations which is the cause of our concern. Proper rewording will correct these areas of concerns. Specific suggestions are attached.

The Interagency Committee on ADP appreciates the opportunity to be a participant and hopefully has provided constructive advice in supporting the desire of the Congress to

relieve the paperwork burden on the American public and to more effectively and efficiently use the vast ADP resource of the Federal Government.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Gioia", is written over the typed name.

JOHN GIOIA, COLONEL, USAF
Chairman
Interagency Committee on
Automatic Data Processing
(IAC/ADP)

1 Attachment
Recommended Changes

(Reference Page 11, lines 18-24)

Paragraph (3) may be interpreted as authorizing GSA to determine the use of ADP and Telecommunications equipment by an agency and to directly influence the agencies budgets. This extraordinary authority to GSA appears contrary to the intent of the Brooks Bill, would confuse the decision-making process and may incumber the agencies ability to perform the assigned missions. ADP is but one element within the systems needed to satisfy the agencies missions, albeit an important one. On occasion, conflict will exist between an agencies mission responsibility and GSAs procurement responsibility. OMB must be the independent agency at the pinnacle of the bureaucracy that is authorized to determine trade offs necessary to accomplish the mission at the lowest cost in total perspective. It must also remain the constituted agency to adjudicate disputes between any agency and GSA and as such must be unincumbered to render the objective decisions determined to be in the overall best interest to the Government. However, GSA's role in supporting OMB is recognized and we believe the following changes will accomplish that role and yet not disrupt the proper decision-making process.

Change the word "coordinate" on line 18 to "consultation." Place a period after the word "equipment", line 21 and delete the remainder of that paragraph. Insert a paragraph (4) "Review agency proposals for acquisition and use of such equipment. GSA upon the request of the director will provide agency data pertaining to acquisitions of such equipment."

(Reference Page 12, lines 5-10)

By exact interpretation the burden this paragraph would place on OMB and the agencies would be overwhelming. For example, an agency reorganizing one of their data processing installations to have the tape librarian also perform as a customer representative would require OMB review. We believe the word "procedures" in line 6 should be changed to policy.

(Reference Page 13, lines 8-12)

This may be interpreted as having OMB direct an agency's auditors and further authorizing assigning one agency's auditors to inspect another agency. The internal audit function is critically important to the agency head for independent reviews to surface and correct problems before they become significant. Mitigating the ability of the agency head to assign auditors at his/her discretion will lead to a degradation of the agency's audit capability. The long term results could be disastrous. The authority to require audits as stated on line 8 coupled with the use of the GAO should be sufficient audit

control. Suggest replacing the comma after the word "systems" with a period on line 8 and deleting the remainder of the paragraph.

(Reference Page 13, lines 24-25; Page 14, lines 1-2)

This section requiring the OMB and GSA to develop a 5-year plan may be interpreted as an independent action on the part of OMB and GSA. We believe the intent was to provide a plan to support agency's needs over the 5-year period. Suggest replacing the phrase "in consultation with the Administrator of General Services" with "based on an Agency's plans."

(Reference Page 16, lines 12-17)

This section places the burden for acquisition of ADP and Telecommunications on the senior official designated to carry out the primary responsibilities of the Bill. Combining the functions of procurement with oversight management will be disruptive to many existing organizational structures and management processes. The individual designated in subsection (b) has sufficient management authority and leverage to insure compliance with the Bill's intent by the implied responsibilities under subsection (c)(1), (2), and (3). Suggest deleting paragraph (4), lines 12-17 page 16, and add "acquisition, procurement," after the word "directing" on line 2, page 16.

(Reference Page 18, lines 21-23)

The term "program" has many definitions spanning the spectrum from a specific acquisition to the agencies prime mission. It is safe to say that no senior manager is independent of some agency program depending on the definition used. We question whether the restriction of "independence from any program responsibility" is necessary to insure the senior official objectively executes the duties assigned to him in this Bill. Suggest deleting the words on line 22 starting with "has" through the word "responsibility" on line 23. As an alternative, recommend defining the term "program" in §3502, Definitions.

(Reference Page 23, lines 16-17)

Agencies have the inherent responsibility to conduct internal investigations to evaluate compliance with the law. The results of these reviews could be made available to OMB, if required. OMB has been granted sufficient direction and leverage by Section 3504(b) to investigate an agency's compliance in a selective or periodic basis if required. Suggest deleting paragraph (a) and changing the (b) on line 24 to (a).

Delete the words "the results of the inspections" on lines 24 and 25 and substitute "agency compliance with this chapter."

As an alternative, we recommend deleting the use of GSA to assist the Director in selective inspections. As written GSA is in the position of evaluating their own influence on the system. This may be conceived by evaluators that the reviews were less than objectively conducted. In addition, the concern expressed above (first paragraph) in the relative relationship between OMB and GSA and the agencies holds here as well. Suggest deleting the words "with the advise and assistance of the Administrator of General Services."